

**Testimony of Rep. Bill Pascrell, Jr.**  
**House Committee on Budget**  
**March 8, 2001**

Thank you Chairman Nussle and the entire Budget Committee for allowing me to speak with you today. Last week President Bush delivered his "Blueprint for a New Beginning" to our offices. There were several aspects of this budget proposal that compelled me to come before you today.

First, I would like to speak to you about the importance of an appropriation for the second year of the Firefighter Assistance Grant Program.

Last year, we succeeded in adding my legislation, the Firefighters Investment and Response Enhancement Act or "FIRE" Act to the Department of Defense Authorization bill. This legislation established the Firefighters Assistance Grant Program that is now administered through the Federal Emergency Management Agency.

The program is authorized for fiscal years 2001 and 2002 in the amounts of \$100 million and \$300 million respectively. Delightedly, we received funding for the first year of the program -- \$100 million -- and are seeking \$300 million for the second year in the fiscal year 2002 appropriations cycle.

This program will provide grants for purchasing new and modernized equipment, fire prevention and education programs, wellness programs for our firefighters, modifying outdated fire stations, and more. These grants will go directly to paid departments as well as part-paid and volunteer departments and emergency medical technicians as well.

I am busy these days fielding phone calls from excited fire departments around the country asking when the applications for this program will be available. I am also speaking with FEMA every day to monitor its progress in getting this necessary program up and running successfully.

This program has been endorsed by seven major fire service organizations in the nation, and the supporting legislation had 285 bipartisan cosponsors in the House and 33 cosponsors from both parties in the Senate.

I am very encouraged that Members have supported this legislation on its merits and have refused to make this a political or partisan issue. After all, when fire fighters go into a burning building they do not ask the inhabitants whether they are Democrats or Republicans.

In light of this overwhelming support, I was shocked when I saw that President Bush's "Blueprint" includes the explicit cut of this critical new program. President Bush thinks that this program does not, "represent an appropriate responsibility of the Federal Government." (p.153)

With all due respect to the President, I am here today to make it clear why it does. First of all, there is a tremendous need for additional funding for fire departments around the country.

A fire department in this country responds to a fire every 18 seconds. And there is a civilian fire death every two hours. A survey I did in my district found that 75 percent of departments are understaffed – some terribly understaffed by as many as 40 firefighters in the bigger cities.

Our state's second largest city – Jersey City – has seen its fire personnel be reduced by 200 in just the last decade. And many departments --- in cities and suburbs alike --- simply cannot afford even the most basic equipment upgrade because of funding shortfalls.

Secondly, I challenge the President's assertion that supporting our firefighters is not an appropriate use of federal funds. I strongly believe that the federal role in the fire fighting service can and should be increased. Current spending for fire services is roughly \$40 million, which is dreadfully inadequate.

The level of funding for the firefighters assistance grant program, however, is appropriate. This funding is an investment in the safety of our fire fighters and confirmation to our communities that the federal government will work to provide our fire service personnel with the best equipment and resources available in order to ensure public safety.

Furthermore, there is no selective assistance in this bill – all 31,000 plus departments are recognized and included. And, it sends the dollars directly to the departments to the communities in need through competitive grants, therefore bypassing potential red tape at the state level.

Let me also remind colleagues that the role of fire fighters is expanding. Several fire departments in this nation reach across state, county and city lines to assist each other with natural disasters and incidents of domestic terrorism. For instance, Oklahoma City.

As you know, there are two fire search and rescue units that have responded to international disasters on behalf of the United States. Collectively, the Miami-Dade Fire Rescue Department and the Fairfax County Search and Rescue teams (SAR) have traveled to several countries -- including Colombia, Turkey, Mexico City and Mozambique – in order to help with disaster relief.

Natural and man made disasters do not discriminate when and where they arise; proudly, the fire fighters of the United States do not discriminate when or where they provide help. The role of our fire fighters is ever changing, and it is my belief that the role that the federal government plays during these changes must be commensurate.

This Congress spends billions and billions on law enforcement in our communities. And we all support that critically needed investment. It has helped to foster crime reduction year after year.

We don't ask communities to go it alone for their law enforcement needs, and we shouldn't do it for their fire safety needs either.

When six firefighters died in Wooster, Massachusetts in 1999 – this tragedy highlighted the need for more funding for our fire services. These deaths could have been prevented if the Wooster firefighters had been using certain fire-fighting protection equipment. Unfortunately, their department could not afford the equipment that could have saved their lives.

For these fallen heroes – and all those who lost their lives in the pursuit of our safety – we owe this grant program. So that one more unnecessary death can be prevented.

We should fund the firefighters assistance grant program for Fiscal Year 2002 and demonstrate that the Congress is fully committed to fire safety in America. Our firefighters – and the communities we represent here – deserve nothing less.

Next, I'd like to talk to you about the proposed cuts to the Small Business Administration that President Bush included in his "Blueprint." We all know how important small businesses are throughout America. But we sometimes forget that small business accounts for 99.7 percent of America's employers and employs 52 percent of the private work force. Small companies account for 47 percent of all the nation's sales.

Over the last decade, America has experienced a period of growth unprecedented in our history. We reached all time highs in small business growth, job creation and all-time lows in loan interest rates and unemployment. But the economic boom is slowing down.

Financial losses for many companies are mounting and job cuts are affecting every industry in America. As a result, the need to help our communities deal with these signs of economic slowdown are more critical than ever.

Unfortunately, President Bush's proposed budget goes against all these signs with a slap in the face to the Small Business Administration and its critical programs. President Bush has announced a budget that will cut the Small Business Administration's budget from \$900 million to \$540 million. This represents a 43 percent cut!

This budget pushes aside the collective futures of women-owned and minority owned small businesses while at the same time assuring that other small businesses will lose access to vital capitol resources offered by the agency. Much of the shortfall will be through terminating programs serving low-income areas and by charging fees.

Not only do small businesses get no tax break in the Bush plan, they will be taxed to pay for tax cuts that go mainly to the wealthiest of the nation. Small businesses will pay for the President's tax cuts through higher loan costs and newer taxes designed as fees, while critical programs spurring investment in low and moderate income areas and helping minority businesses will be eliminated.

For example: The "New Markets Venture Capital" program, which provided technical assistance and financing to businesses in low-income areas will be zeroed out. As well as the "PRIME" program, which provided seed capital to the absolute smallest of small businesses.

The 7(a) loan program will now be totally fee funded. This will make the cost of a loan to businesses much higher. Even though the administration acknowledges that some small businesses will have trouble accessing private capital in the absence of a Government guarantee, it still doesn't want the Government to subsidize the cost of borrowing.

This is unfortunate in my view. I think the Bush administration is sending the wrong message to our nation's small businesses. If the President insists on these cuts, small businesses will no longer have a real voice or champion to protect their interests.

And finally, one segment of the proposed budget I was pleased with was where the President expressed his support for the newly authorized sewer overflow control grants. Through the important Clean Water Act, the federal government mandates that municipalities address large wastewater projects to ensure clean water.

As part of the Omnibus appropriations bill last year, Congress passed H.R. 828, a bill that combined legislation by my friend Mr. Barcia from Michigan with legislation introduced by Mr. LaTorrette and myself. HR 828 authorized \$750 million in fiscal years 2002 and 2003 for a grant program to states to address combined sewer overflow (CSO) systems.

The bill also codified the U.S. Environmental Protection Agency's policy on Combined Sewer Overflows (CSOs), requiring the development and implementation of long-term control plans to meet applicable water quality standards. Pending appropriations are set to start this year, and the President's support has given us a boost. Hopefully, the grant funds will be issued to the states and passed onto municipalities for the development of treatment systems that will lessen the mixing of untreated wastes with stormwater.

This grant program gives cities and towns the resources they need to clean up their sewers and comply with the Clean Water Act. It also authorizes \$45 million in grants for demonstration projects on the use of watershed management for wet weather control in urban areas and to determine the most cost-effective management practices for wet weather flows. This additional money will allow cities and towns to comprehensively address the complex issue of stormwater runoff.

I appreciate the opportunity the Committee has given me to express both my concerns and support of the President's proposals for the upcoming budget. Thank you.